

29 June 1954

MEMORANDUM FOR: Chairman, Ad Hoc IAC Committee (Watch)

SUBJECT : Budget Problems re National Indications Center (NIC)

References: (a) Letter 12 May from DCI to Deputy Secretary of Defense
subject: Space for NIC
(b) Minutes IAC Meeting held 15 June 1954
(c) Minutes Ad Hoc IAC Committee (Watch) held
17 June 1954

1. Reference (a) requested the assistance of the Deputy Secretary of Defense in procuring 3300 odd square feet of floor space in the Pentagon for the construction of the NIC authorized in DCID 1/2.

2. Reference (b) reflects the concern of Major General Willem (USA) that the activation of the NIC might be delayed beyond the 1 July 1954 target date because of funding problems and the request of the DCI to prepare an estimate of the non-departmental costs involved in implementing the Terms of Reference of the IAC Watch Committee.

3. The third reference constitutes a charge to the Sub-committee of the Ad Hoc IAC Committee (Watch) to prepare an estimate of the cost of constructing, furnishing and equipping the NIC.

4. The Sub-committee herewith reports that:

a. It is beyond the competence of the members to estimate costs incident to constructing the NIC without guidance as to probable locale of the facility within the Pentagon. (This guidance has not been available.)

b. The estimated cost of equipping and furnishing the NIC as specified in IAC D-6/1 (Revised) of 26 April 1954 on the basis of the 1953 Federal Stock Catalogue is \$64,000--broken down as follows:

Office of the Director	2560.00
Reception Room	760.00
Indications Group offices	10180.00
Secretariat offices	6200.00
Situations and Conference Room	7280.00

USAF Declassification/Release Instructions On File

Graphic Support facility (includes initial issue expendables)	2700.00
Teletype facility (includes communications items)	34350.00
Estimated special purchases required	125.00
Telephone services (14 lines)	150.00

Total (gross) \$64,000.00

c. Approximately two-thirds of the estimated gross cost will not involve cash outlays, as the furnishings and equipment are routinely carried as office equipment and are thus available for issue without monetary disbursements.

d. Since the JCS have undertaken to question the IAC approved Table of Organization and floor plans of the NIC, it appears that the NIC cannot be activated by 1 July 1954, and probably not much before the end of the first quarter of FY 1955. This action and the relative smallness of the Net Cost removes the necessity for making special funding arrangements.

ALFRED G. HUTCHINS
Major, USAF
Chairman,
Sub-committee, Ad Hoc IAC
Committee (Watch)